Impact of price of gas from KG Basin

1584. SHRI MOINUL HASSAN: Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

(a) whether RIL is a contractor selling gas Krishna Godavari (KG) Basin owned by Union of India;

(b) whether Article 39(b) of the Constitution directs the State that the ownership and control of material resource of community are so distributed as based to sub-serve the common good;

(c) if so, whether Government is aware that the RIL gas pricing will have adverse impact on price of power and fertilizer; and

(d) if so, the reaction of Government?

THE MINISTER OF PETROLEUM AND NATURAL GAS (SHRI MURLI DEORA):(a) and (b) By virtue of Article 297 of the Constitution of India, petroleum in its natural state lying in the geographical territory, territorial waters and the continental shelf of India and the Exclusive Economic Zone of India is vested in the Government. The Government enters into Production Sharing Contracts (PSC) with the contractor to invest and explore for hydrocarbons in the contract area under NELP. If hydrocarbons are discovered and commercially produced, contractor is entitled to recover the investment made and share the profit with the Government as per the provisions of PSC.

(c) and (d) Government constituted an Empowered Group of Ministers (EGoM) to consider issues relating to pricing and commercial utilization of natural gas under NELP. EGoM has decided the issue of pricing of gas under NELP. In terms of the provisions of the Production Sharing Contracts, contractors have the freedom to sell gas in the domestic market at arms length prices to the benefit of parties to the contract. While approving the pricing formula, the EGoM has taken care to protect the interest of gas consuming sector against persistent rise in international crude prices, by imposing a ceiling of US$ 60 on the crude price per barrel in the formula.

Subsidy paid and taxes collected on petro products

1585. SHRIMATI BRINDA KARAT: Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

(a) the amount of subsidy paid by Government during 2004-05, 2005-06 and 2006-07 for petroleum products;

(b) the subsidy paid by the Public Sector Oil companies for petroleum products during the same period, year-wise, and

(c) the total taxes, dividend and cess collected by Government from petroleum sector during 2004-05, 2005-06 and 2006-07?

THE MINISTER OF PETROLEUM AND NATURAL GAS (SHRI MURLI DEORA): (a) The Government is administering the PDS Kerosene and Domestic LPG Subsidy Scheme, 2002 through which the Public Sector Oil Marketing Companies (OMCs) are being paid subsidy at 1/3rd level of 2002-03 at a flat rate from the Union Budget i.e. at the rate of Rs. 22.58 per 14.2 kg